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DIRECTORATE OF INTELLIGENCE

22 February 1985

Equatorial Guinea: Prospects for Soviet and Western Interests

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Summary

We believe President Obiang's political position is secure for the near term, although his rule rests largely on the continued presence of a 300-man Moroccan Presidential Guard. Obiang faces potential tribal, economic, and military unrest and uncertain relations with Spain--the country's principal benefactor. Any weakening of Obiang's position or his overthrow could afford the Soviet Union opportunities to re-acquire the influence and the presence it lost when Obiang deposed a pro-Soviet regime in 1979. Obiang's Western-leaning foreign policy probably has alienated some pro-Soviet officers, who may intervene should the opportunity arise. The President may also face pressure from some pro-Spanish officers who may be disturbed by the country's slow drift into the French sphere of influence and by its recent entry into the African franc zone. Without supplanting Spain, Paris wants to help tie Equatorial Guinea more firmly to the West and preclude the

This memorandum was prepared for the Deputy Assistant Secretary for African Affairs, the Department of State. It was written by [redacted] West Branch, Africa Division of the Office of African and Latin American Analysis and by [redacted], Office of Soviet Analysis. It has been coordinated with the Directorate of Operations. Questions and comments are welcome and may be directed to the Chief, Africa Division, ALA on [redacted]

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country's potential use by Moscow as an alternate site for air and naval access the Soviets now enjoy in Angola and Guinea.

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Background

At independence from Spain in 1968, the mini-state of Equatorial Guinea had a seemingly bright future, with a prosperous cocoa-based economy and a multiparty political system. However, under the brutal tyranny imposed by its first President, the late Macias Nguema, economic and political structures disintegrated while relations with Spain deteriorated sharply; the United States suspended diplomatic relations in 1976. In return for vital security assistance and some technical aid, the Soviet Union and other Communist states gained a foothold in Equatorial Guinea in proximity to several important, Western-oriented countries, such as Nigeria, Cameroon, and Gabon. Macias' power base was the Mongomo clan of the Fang tribe that constitutes some 80 percent of the population and dominates Rio Muni, the mainland portion of Equatorial Guinea. The Bubis, the indigenous population of the island of Bioko and the site of the country's capital, Malabo, constitute about 15 percent of the population.

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In 1979, Macias was overthrown by his nephew, Colonel Teodoro Obiang, a moderate and a Spanish-educated Army careerist, ending 11 years of rule. The new President inherited a country in shambles, a dispirited population, and a civil service and military dominated by Communist-trained personnel. From the onset, Obiang has depended for protection on a bodyguard of 300 Moroccan troops. Although Obiang is a Mongomo and his government is Fang-dominated, he has made some efforts to cultivate better relations with the minority Bubis and has sought to improve the country's human rights image. A constitution was approved by plebiscite in 1982 and, a year later, a parliament was installed that was chosen partly by Obiang and partly by the electorate. Obiang has gradually reoriented foreign policy toward the West and sought to reduce links with the Soviets.

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Western Involvement

Since the 1979 coup, Equatorial Guinea has expanded connections with the West beyond traditional relations with Spain. It has forged particularly close ties with France while adhering publicly to a nonaligned foreign policy. Obiang also has cultivated good relations with moderate African neighbors, especially with French-speaking Gabon. [REDACTED]

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Equatorial Guinea's relations with Spain have cooled since the election of a Socialist government in Madrid in 1982, particularly because the Socialists have been critical of past foreign aid expenditures. The Spanish press has referred to Equatorial Guinea as a "bottomless pit," depicting the Obiang regime as corrupt, tribalistic, and inefficient. The two countries' relations have thus been marked by tension over the level and disposition of Spanish aid and by Equatorial Guinea's entry this year into the French-backed African franc zone. The US Embassy reports that Madrid is unhappy with Equatorial Guinea's growing involvement with France, but is reconciled to some loss of influence. [REDACTED]

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The US Embassy reports that Spanish officials indicate Madrid will continue to play a crucial economic role in Equatorial Guinea, despite the cooling of relations on the diplomatic front. Spain is Equatorial Guinea's largest trading partner, providing 73 percent of the country's imports and taking 33 percent of its exports in 1982, the latest year for which data are available. Even though Madrid has been critical of aid to Equatorial Guinea, Spain also remains the single largest economic aid donor, providing an estimated \$14 million a year. Equatorial Guinea owes an estimated \$40 million in debts to Spain, according to Western economic journals. Since Obiang's coup in 1979, Spain has provided some military training and assistance, and last year 40 Spanish military advisors were stationed in the country. [REDACTED]

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While Spain's influence has waned slightly, France has played a more active economic role in Equatorial Guinea in recent years. According to US Embassy reporting from France, Paris' goal is to help prevent a resurgence of Soviet presence in order to safeguard the moderate, neighboring states of Cameroon and Gabon, in which France has significant political and commercial interests. In coming years, we believe French

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influence will be exercised primarily through Equatorial Guinea's membership in the African franc zone.* [redacted]

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In our judgment, the Obiang government decided that Malabo needed to join the franc zone so Equatorial Guinea could reduce its economic and political isolation and take advantage of the financial benefits that accrue from membership. The franc zone provides Equatorial Guinea for the first time with a convertible currency, borrowing access to pooled currency reserves, and greater monetary stability. The Embassy believes that Malabo's membership should help stem the flow of smuggled cocoa and coffee into neighboring Cameroon and Gabon, where these cash crops in the past have been sold for convertible CFA francs. Moreover, in our view, Equatorial Guinea's use of the CFA franc should facilitate greater European Community trade and investments. [redacted]

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France prefers a coequal relationship with Spain in Equatorial Guinea and does not wish to supplant Spanish efforts, according to the US Embassy. France has few direct trade links with Equatorial Guinea, and it provides no military aid. We have no information about the level of economic aid that France may provide Equatorial Guinea. While President Obiang visited France in 1982, President Mitterrand politely declined a visit to Malabo, according to US Embassy reporting. [redacted]

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Soviet Interests

The USSR became the principal external benefactor of Equatorial Guinea after Macias became hostile to Spain in the early 1970s and turned to Communist sources of assistance to reinforce his grip on power. Between 1968 and 1979, the Soviets provided a variety of small arms, eight

**Thirteen ex-French territories, in addition to Equatorial Guinea, are members of the French-backed African franc zone. Other members are Benin, Burkina, Cameroon, Central African Republic, Chad, Comoros, Congo, Gabon, Ivory Coast, Mali, Niger, Senegal, and Togo. Africans receive monetary stability and accept conservative French monetary and banking policies in place of national control. Zone arrangements protect France's privileged trade by setting effective ceilings on imports by Africans from outside the zone and from the EC, and minimum levels for certain imports from France. African issuing banks must hold their members' pooled currency reserves and foreign exchange earnings in French francs in a French treasury account into which receipts are credited and payments debited. African states ordinarily cannot impose exchange controls or revalue their currencies without the consent of all parties, and they are obliged to follow the lead of France in these areas. [redacted]*

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patrol boats, and 20 armored personnel carriers, ensuring Equatorial Guinea's dependence on Moscow for equipment, spare parts, and maintenance. In addition, an estimated 200 Equatorial Guinean soldiers were trained in the USSR. US diplomatic reporting estimated that the East Bloc military advisory presence may have reached 330 by 1977 (see annex). [redacted]

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The bulk of Soviet economic efforts in the Macias era focused on developing Equatorial Guinea as a base for fishing activities in West Africa, according to US Embassy reporting. A number of press and US diplomatic sources report that Moscow enjoyed a monopoly of fishing in Equatorial Guinean waters, providing a limited amount of low grade fish to the country while it shipped the best part of the catch to the Soviet Union, and was allowed to set up a floating drydock at the port of Luba as a repair and support facility for the Soviet West African fishing fleet. In addition to the Soviet's involvement in fishing, Moscow provided just over \$1 million in economic assistance from 1968 to 1979, and the Soviets virtually ran the Equatorial Guinean state airline, providing two transport aircraft, pilots, and mechanics on a cash basis. [redacted]

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For his part, President Obiang has sought to reduce the Soviet presence and influence in Equatorial Guinea. The US Embassy reports that the 1973 fishing agreement has not been renewed, Soviet use of Luba has been terminated since 1980, and Soviet personnel levels were reduced to about 80 by late 1982. [redacted]

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[redacted] Ties continued to sour after Obiang uncovered a coup plot in 1983 involving a number of Soviet-trained officials. According to the US Embassy, the Soviet Ambassador refused the plotters' requests for direct assistance, but implied that substantial support would follow a successful coup. We believe the coup plot confirmed Obiang's suspicions of Soviet policy, [redacted]

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[redacted] Moscow subsequently withdrew its military technicians at Equatorial Guinea's request. The Embassy reports that the Soviets responded by cutting off spare parts for Equatorial Guinean military equipment, and most of the equipment is now nonfunctional. [redacted]

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The downward trend in Soviet-Equatorial Guinean relations continued throughout 1984. Trade levels are minimal, according to the US Embassy, and only two Soviet civilian vehicle repair shops and a Soviet medical assistance program continue to operate. Equatorial Guinea, however, still depends on the Soviets to support its state airline, continues to send students to the USSR--some 40 in 1983--and participates in a number of cultural and sports exchanges. [redacted]

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[REDACTED]

Based on Embassy reporting, we believe Moscow is unhappy with Obiang's opening to the West, especially to Paris. From Moscow's perspective, France's extensive ties with its former colonies in the region, willingness to intervene military on behalf of its African clients, and efforts to expand its sphere of influence to non-French areas of Africa make Paris a more formidable threat than Madrid to the Soviet position in Equatorial Guinea. Equatorial Guinea is not a high priority for the Soviets, whose major concern is southern Africa and the Horn, according to the US Embassy in Moscow. However, the Embassy reports that Moscow does take a general interest in Equatorial Guinea within the context of trying to displace Western influence and presence, encourage local pro-Soviet elements, and expand its access to West African fishing grounds. In our view, Moscow may also see Equatorial Guinea as one of several potential sites for air and naval access that could support the small Soviet West African naval patrol and periodic TU-95 naval reconnaissance flights in the south Atlantic that both presently stage out of Luanda. [REDACTED]

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[REDACTED]

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Outlook

Although the regime has restored order and lacks an organized domestic opposition, Obiang still is potentially vulnerable to tribal unrest, military discontent, and public and military frustration with slow economic recovery. [REDACTED]

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Tribalism. We agree with the US Embassy that one main threat to stability is the persistence of divisive tribal prejudices. Obiang must balance conflicting pressures from his own Mongomo Fang clan--who wish to maintain their supremacy--with those of other groups demanding a share of political power. So far, Obiang has tried to cultivate better relations with other Fang groups while trying to give the Bubis some voice in government. His policy may ultimately fuel more Bubi discontent and renew latent separatist tendencies if the Bubi islanders believe they are given only token powers, or it may prompt plotting among Fang groups who sense their interests are not being served. [REDACTED]

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Military. US Embassy reporting indicates that for the moment Obiang faces no serious challenge from the military. Obiang is portrayed as being personally acquainted with virtually every officer, which suggests to us that he has good information on the depth of his support within the military. Even so, we believe it is likely that disgruntled pro-Soviet and pro-Spanish factions exist. We estimate about a third of higher-ranking officers are Soviet-trained and some of these may be hostile to Obiang's gradual Westward shift. We also cannot rule out opposition from some Spanish-trained officers, who may believe their country's historic,

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cultural, and linguistic ties with Madrid are threatened by Obiang's warming ties with France. [REDACTED]

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The Economy. Although economic problems do not immediately threaten Obiang's position, we believe the potential for unrest and military plotting is likely to increase over continued stagnation and corruption. Rehabilitation of cocoa plantations has been slow. Only 8000 metric tons of cocoa was produced in 1982, far below the 40,000 tons produced at the time of independence. According to a senior US Embassy official, the population is still traumatized by the brutalities of the Macias era and lacks the drive to work hard. Nigerian expatriates, who historically worked the cocoa fields but fled during the Macias tyranny, have been unwilling to return, probably fearing a renewal of persecution. Moreover, inter-tribal rivalries--which must be taken into account in all domestic decisions--will also hamper economic reforms, since key Fangs may fear that changes will challenge their economic prominence. The President's tendency to remove potential rivals from office, including competent technocrats, may further forestall needed economic policy reforms. Moreover, tribal concerns are likely to limit a comprehensive crackdown on corruption. Malabo must also service what for Equatorial Guinea is substantial foreign debt, which ranges from \$80 million to \$120 million, according to Western economic publications. [REDACTED]

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The Moroccan Factor. In our view, the continued presence of the Moroccan Presidential Guard is critical to Obiang's future. King Hassan dispatched troops following the 1979 coup, a little more than a year after Rabat provided troops to shore up Zairian President Mobutu following the 1978 exile incursion in Shaba. The Moroccan presence is based on the personal friendship between Hassan and Obiang as well as Rabat's policy of providing security forces to various African countries in return for diplomatic support to its claim to the Western Sahara. US Embassy reporting indicates Malabo supported the Moroccan position at the 1984 OAU summit. Should the Moroccan troops be withdrawn if strains develop between Rabat and Malabo or because of Rabat's continuing economic problems, we believe Obiang would be more vulnerable to military unrest. [REDACTED]

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In our view, Equatorial Guinea's gradual shift toward closer relations with the West will continue so long as Obiang remains in power. At the same time, we believe Obiang will continue the uneasy relationship with the Soviets. He is likely to bow to the Soviets from time to time--for example in UN voting--to give the appearance of nonalignment. [REDACTED]

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The Soviets would have new opportunities to exploit if Obiang were overthrown in the near future by pro-Soviet officers or if a coup were followed by instability that threatened Western influence and presence. We believe a more Soviet-influenced Equatorial Guinea would remain highly

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dependent on the West for financial assistance, however, and for that reason, Equatorial Guinea's new rulers would probably try to mask their radical intentions. [REDACTED]

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Barring a change in government in Malabo, we believe the Soviet Union is likely to continue a wait-and-see policy so long as it is able to maintain some presence in Equatorial Guinea. To date, the Soviets have not been willing to counter Equatorial Guinea's improved relations with the West by offering extensive new military or economic aid, perhaps calculating that the West will not fulfill Obiang's aid expectations. [REDACTED]

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We cannot rule out a gradual shift back toward Moscow. Obiang is likely to come under mounting internal pressure from Soviet trained officers if his moderate policies fail to promote economic recovery and if the West fails to provide the quantity of economic assistance Equatorial Guinea requires. Although Equatorial Guinea received \$140 million in pledges at a 1982 donors conference, Western countries are reluctant to invest in or provide significant aid to Malabo, given the country's inability to absorb aid and its potential instability. A considerable burden of responsibility for Equatorial Guinea's well being will remain on Spain, because we believe France does not wish to supplant Madrid in the near term as the principal prop of the Obiang regime. [REDACTED]

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AnnexOther Communist Involvement in Equatorial Guinea

Predominant Soviet involvement in Equatorial Guinea is supplemented by the Chinese, the Cubans, and North Koreans. US Embassy reporting indicates that China clearly is Moscow's leading Communist rival in the country, and is more popular than the Cubans and the North Koreans. [REDACTED]

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China. The US Embassy reports that the Chinese, who maintain a low profile, are well regarded by the Obiang government and the local population. Beijing had good relations with the former Macias regime, but did not commit enough resources to compete effectively with Moscow in the military and economic areas. Approximately 20 Chinese technicians currently are working on road and energy projects and we believe China's role in Equatorial Guinea's development will remain modest. China's own economic needs outweigh its ability to substantially increase financial aid to Malabo. We note that no new economic agreements were announced during Obiang's visit to China last year [REDACTED]

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North Korea. Obiang continues to cultivate good relations with North Korea, despite Pyongyang's strong support of Macias and several recent instances of North Korean interference in Malabo's internal affairs, including smuggling and attempts to bribe local officials. Equatorial Guinea's ties with North Korea developed in the late 1960s, with Pyongyang providing an unknown number of military advisors and possibly some arms. According to open sources, North Korean advisors unsuccessfully tried to rally pro-Macias forces during Obiang's coup. [REDACTED]

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The US Embassy reports that Obiang hopes to stimulate rivalries between the resident North Korean Embassy and accredited South Korean diplomats based in Cameroon, believing this will result in more assistance to Equatorial Guinea. Last year, according to Embassy reporting, Pyongyang promised \$10 million in material and economic assistance, including the completion of a parliamentary building started by the North Koreans during the Macias era. [REDACTED]

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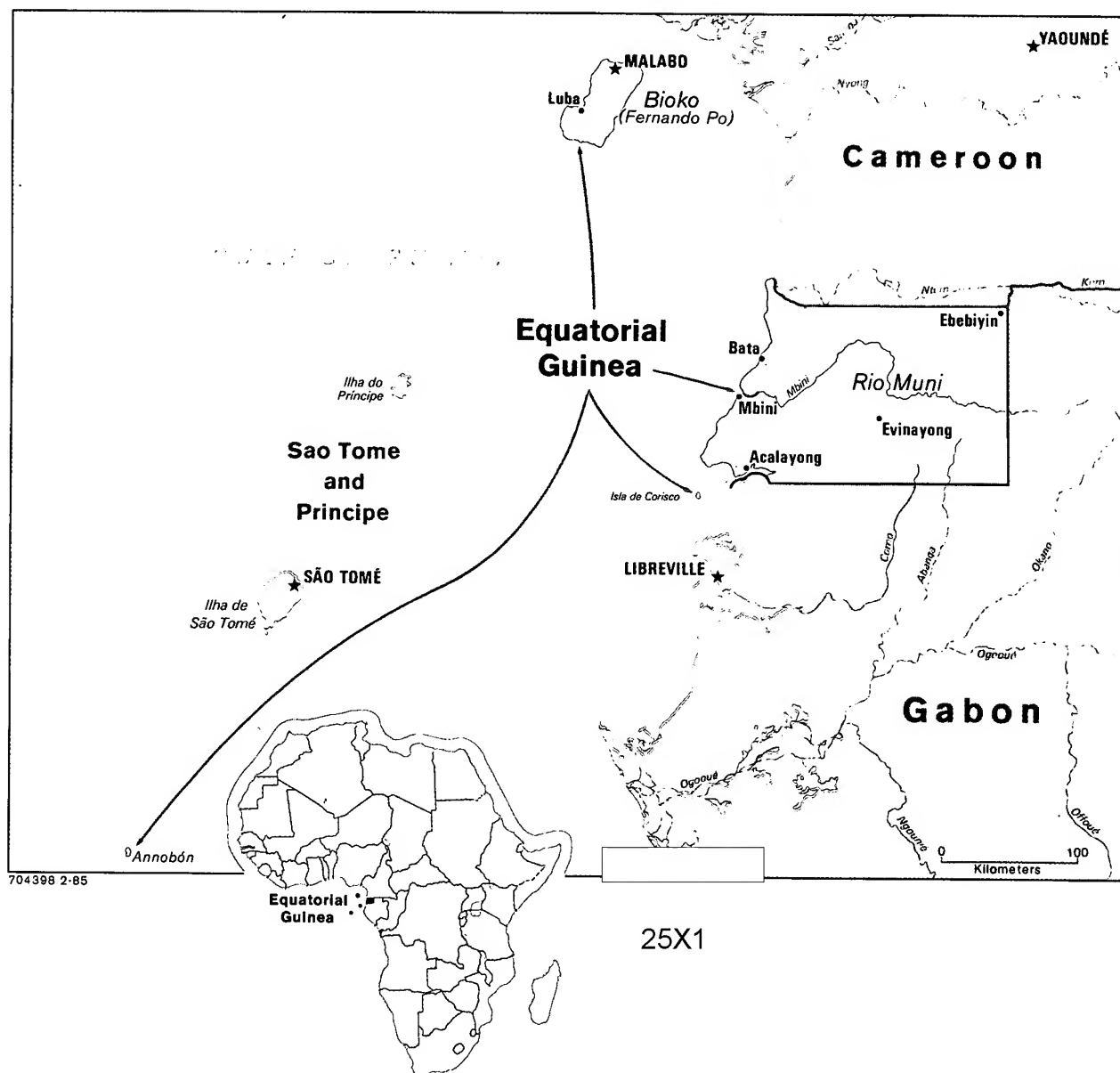
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Cuba. Although relations with Havana and Malabo are good, mainly because of a common Hispanic background, Cuba's influence has diminished since Obiang took power. The US Embassy reports that Obiang has allowed military and economic agreements with Havana to lapse, resulting in a decline of Cuban presence. Cuba currently provides no military aid or advisors, and its economic assistance is limited to four doctors who work

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in a local hospital plus a few scholarships for Equatorial Guinean students.

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SUBJECT: EQUATORIAL GUINEA: Prospects for Soviet and Western Interests

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